

# **EMPLOYEE PLANS DETERMINATIONS QUALITY ASSURANCE BULLETIN**

## **Fraud Referral Procedures**

**FY-2006 No. 1**

**Date: January 6, 2006**

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The purpose of this bulletin is to provide an overview of fraud and to provide EP Determination Specialists with procedures to follow when they believe a case has the potential to involve fraud.

### **OVERVIEW**

The Fraud Handbook is located in IRM 25.1. Section 25.1.1.1 provides an overview of fraud and also defines and details the elements of fraud.

Generally, for fraud to be considered, a Specialist must show:

- a. An additional tax due and owing due to deliberate intent to evade tax; **or**
- b. The willful and material submission of false statements or false documents in connection with an application and/or return.

### **Definition of Fraud**

IRM Section 25.1.1.2 provides the following definition of Fraud:

(1) Fraud is deception by misrepresentation of material facts, or silence when good faith requires expression, resulting in material damage to one who relies on it and has the right to rely on it. Simply stated, it is obtaining something of value from someone else through deceit.

(2) Tax fraud is often defined as an intentional wrongdoing on the part of a taxpayer, with the specific purpose of evading a tax known or believed to be owing. Tax fraud requires both:

- An underpayment; and
- A fraudulent intent.

## **The Role of TEGE**

IRM 25.1.9 outlines guidelines which apply to TEGE determination letter applications and returns under the TEGE jurisdiction.

Qualified employee plans receive favored tax treatment through a deduction for contributions by the employer, tax exemption for the related trust, and deferral of income by the employee. Fraud occurs when these favorable tax treatments are obtained through fraudulent means. These tax advantages can be used in criminal cases to meet the requirements that a tax be due and owing as described in IRC 7201 (Attempt to Evade or Defeat Tax) and that damage inures to the Government as described in IRC 7206 (Fraudulent or False Statement)

IRM Section 25.1.9.5 states that IRC 7206(1) (Declarations under penalties of perjury) is the criminal provision most useful to TE/GE. Determination applications are filed under penalties of perjury.

IRC 7206(1) applies to tax returns as well as other documents. A prima facie violation of IRC 7206(1) can be proven in the absence of a provable tax deficiency. For example, filing a determination letter application containing false statements or submitting falsified documents in support of such an application would give rise to a potential IRC 7206(1) prosecution if the falsifications are shown to be willful and material.

IRM Section 25.1.9.4 defines the term taxpayer, for TEGE purposes, as anyone who participates in any way in filing an application for exempt status or determination, preparing required returns, operating a plan, trust, or organization.

### **Indicators of Fraud (IRM 25.1.1.3)**

Taxpayers who knowingly understate their tax liability often leave evidence in the form of identifying earmarks, or indicators. Fraud indicators can consist of one or more acts of intentional wrongdoing on the part of the taxpayer with the specific purpose of evading tax. Fraud indicators may be divided into two categories:

- **Affirmative Indications of Fraud** serve as a sign or symptom, or signify that actions *may* have been done for the purpose of deceit, concealment or to make things seem other than what they are.
- **Affirmative Acts of Fraud** are those actions that establish that a particular process *was* deliberately done for the purpose of deceit, subterfuge, camouflage, concealment, some attempt to color or obscure events, or make things seem other than what they are.

Example:

Affirmative indication: The specialist requested documentation to establish that a plan was timely amended to comply with TRA 86. The taxpayer procrastinated in providing the required information and only submitted information that was submitted with the original application, including a previously submitted plan document that has been altered to reflect an earlier execution date. (This would be an indicator as it is a sign that something may have been done for the purpose of deceit, concealment, or to make things seem other than what they are.)

Affirmative Act: In following up on the discrepancy, the specialist discovered that the act of “backdating” was deliberately done for the purpose of hiding the fact that the plan was not timely amended to comply with TRA 86. (This is an affirmative act as it was specifically done for the purpose of deceit, concealment, or to make things seem other than what they are)

**No fraud can be found in any case unless affirmative acts are present.**

IRM Section 25.1.2.2 lists several examples of fraud indicators. The lists are not all-inclusive and are only indicative of the types of actions taxpayers may take to deceive or defraud. The list includes several indicators that are more likely to be encountered during a review of tax records. While Specialists do not routinely have access to tax records, Specialists may, during a review of a determination letter application, encounter other fraud indicators that will lead Specialists to suspect fraud may be an issue.

Some examples of fraud indicators that may be encountered by Specialists include “backdating” or altering of documents. For example, Specialists may see evidence that appears to indicate that documents may have been “backdated” to enable the plan to continue to meet qualification requirements, especially when requesting evidence of prior plan compliance. Specialists reviewing Form 5310 applications may see evidence of altered documents, such as loan documents.

Making a false statement on TEGE determination letter applications is another indication of fraud that Specialists may encounter. Specialists may also receive information of possible fraudulent activities from sources such as informants or interested party comments.

### **Procedures**

While not all potentially fraudulent cases identified by specialists may actually end up being referred for fraud, it is important that specialists discuss the issue with the group manager, at a minimum. Cases in which fraud is not pursued may nonetheless be referred to other areas for further review. For example, cases may be referred to EP Examination (see [Quality Assurance Bulletin 2004-3](#) ), the Office of Professional Responsibility, or the EP Tax Shelter Coordinator, for possibly abusive transactions or emerging issues.

In an effort to work toward the detection and deterrence of Fraud in Employee Plans Determinations, we will be assisted by the EP Fraud Coordinator (EPFC), located in EP Examinations Special Review. The EPFC will serve as a contact person jointly with the Fraud Technical Advisors (FTA) assigned to the SB/SE division. Senior EP Determination Reviewer Robert Contreras is designated the EP Determination Fraud Reviewer.

The FTA plays a vital role in the development of a potential fraud case. The FTA serves as a cross-functional resource person and liaison to compliance employees in all the compliance divisions or business organizations.

The EPFC provides support to EP Examination agents in developing and pursuing fraud cases. The EPFC is one of the fraud liaisons within TE/GE. All of the Fraud Coordinators within TE/GE are responsible for working with other Fraud Coordinators within TE/GE and familiarizing themselves with each other’s policies.

To assist Determination Specialists in processing possibly fraudulent cases, the following procedures are to be implemented immediately.

#### **A. Fraud Development**

1. As soon as an EP specialist discovers indicators of fraud, he/she should discuss the issue with the group manager.
2. If the group manager concurs, the EP specialist will contact the EP Determination Fraud Reviewer, who will arrange a meeting with the EPFC to discuss the indicators of fraud. If the EPFC determines that the case does not appear to have fraud potential, the determination will be made as to whether a referral is appropriate, be it to EP Examination, the Office of Professional Responsibility, or the EP Tax Shelter Coordinator.
3. The EPFC will contact a FTA if the case has fraud potential. If the FTA agrees, the EPFC will arrange a 5-way conference call or meeting with the EP specialist, EP group manager, EP Determination Fraud Reviewer and FTA to discuss the case. If all parties agree that the case should be developed for fraud, the EP specialist will complete Form 11661 (Fraud Development Status, see Attachment 1) and forward it to the EPFC for signature. At a minimum, the specialist should complete lines 1a, 1c, 2 and 3.
4. The EPFC will forward the Form 11661 to the FTA for joint signature. The EPFC and/or the FTA will prepare a plan of action (procedures with respect to fraud development) and forward both to the EP specialist. Under no circumstances should the EP specialist or the EP group manager contact CID at this stage.
5. Upon receipt of a signed Form 11661, the EP specialist will update the case to Status 37 and proceed with the plan of action (see Attachment 2, Development check sheet Form 11660). Status 37 should be used until a new status code is established. The EP Specialist should forward a copy of the signed Form 11661 to the EP Determination Fraud Reviewer, who will maintain a log of all signed Forms 11661.
6. During the fraud development phase, one of the following will occur:
  - The case will be returned to status 52 and worked as a routine case.
  - The case will be referred to EP Exam for pursuit of civil fraud.
  - The case will be referred to CID for criminal investigation

## **B. Civil Fraud**

1. Once it is determined that criminal fraud is not an issue, the criminal proceeding has been completed, and/or that civil fraud is considered an issue, the EP specialist will complete the development and write up the penalty issue. The EPFC and/or the FTA will assist with the write up if the need arises.

An understatement of tax liability must exist in order to pursue civil fraud. EP Determinations personnel may not be in the position to make this determination due to the unavailability of tax return information. Once it is determined that criminal fraud is not an issue, the criminal proceeding has been completed, and/or that civil fraud is considered an issue, the EP specialist will refer the case, via the EP Determination Fraud Reviewer, to the EPFC for necessary action with regard to civil fraud penalty calculations.

## **C. Criminal Fraud**

1. Once affirmative acts (actions taken by the taxpayer that establish criminal intent) have been established, the EP specialist will suspend all determination activity and refer the case to CID. The referral will be made via Form 2797 (Referral Report of Potential Criminal Fraud Cases, see Attachment 3) and the FTA and the EP Determination Fraud Reviewer will assist in the preparation if the need arises.
2. The completed Form 2797 will be routed through the EP group manager, the EP Determination Fraud Reviewer, FTA and FTA manager for review and concurrence.
3. The FTA manager will forward the approved Form 2797 to the appropriate CID Field Office for consideration.
4. The special agent assigned to evaluate the criminal fraud referral will arrange an initial meeting to discuss the merits of the case. The EP specialist, EP group manager, FTA, EPFC, Determination Fraud Reviewer and the supervisory special agent will be invited to attend.
5. CID will conduct a disposition conference within 30 days of receipt of the criminal fraud referral to discuss acceptance or denial of the referral.
6. If the criminal fraud referral is accepted, CID usually makes a request for a cooperating examiner. As the referral would involve a determination application, CID may request a cooperating EP Determination Specialist. The request is made on Form 2797 and it usually involves the initiator.

7. If a criminal fraud referral is accepted, the Status Code will still reflect Status 37.

**D. Criminal Investigation's request for a cooperating examiner in joint Investigations**

1. Requests for a cooperating specialist in EP Determinations are made through the Manager of EP Determinations.
2. The following individuals are used as back-up:

EP Determinations Area Managers

**E. Forms**

1. A copy of the Form 11660, Form 11661 and Form 2797, which are completed in the process and returned to the EP specialist, should remain in the case file on the left side of the file, as they are not open to public inspection. In addition, forms submitted on all fraud cases to the EPFC will be maintained by the EPFC and the Determination Fraud Reviewer as documented involvement.

Both the Form 11661 and the Form 2797 request tax return information which may not be available to a determination specialist. The specialist should complete the forms to the extent possible. The EP Determination Fraud Reviewer will be available for assistance.

# Attachment 1: Form 11661, Fraud Development Status

## Fraud Development Status

1a. Name and Address of Taxpayer _____ _____ _____	1c. Personal Data Age: _____ Health: _____ Education: _____ Occupation: _____
1b. TIN: _____	

### 2. Potential Tax Fraud:

- a. Omitted ☐ Income    b. False Expenses/ ☐ Deductions    c. Failure to File ☐ or Pay    d. Altered/False ☐ Documents    e. Evasion of ☐ Payment    f. Other \_\_\_\_\_

3. Describe the potential indicators of fraud, including supporting evidence, and the method used to compute omitted income (if applicable).

### 4. Tax Return Information:

a. Year/MFT				
b. Taxable Income Per Return *				
c. Potential Adjustments Due To Fraud *				
d. Corrected Taxable Income *				
e. Corrected Tax *				
f. Potential Deficiency Due To Fraud *				
g. Outstanding Tax Only Amount *				

5. Initiator (Print)	Grade	Phone #	Signature	Date
6. Group Manager (Print)	Group	Phone #	Signature	Date
7. Recommendation	Yes/No	Years	Signature of Fraud Referral Specialist	Date
a. Input ICS Sub-code 910 (Collection) **				
b. Remove ICS Sub-code 910 (Collection) **				
c. Update to Statue 17 (Exam) ***				
d. Return to Status 12 (Exam) ***				
e. Criminal Fraud Referral				
f. Assert Civil Fraud Penalty				

\* If applicable

\*\* ICS Case History used to document action taken

\*\*\* Form 5348 used to change the status code



# Attachment 1: Form 11661, *Fraud Development Status*,

Continued

**Instructions  
for Preparation  
of Fraud  
Development  
Status  
(Form 11661)**

This form should be completed by the Examiner, Revenue Officer or jointly with the fraud Referral Specialist.

Item	Action
1a, b, c	Identify the taxpayer. Enter last known address. To the extent you do not have the facts, give estimates of taxpayer's age, health, etc.
2	Put a check mark next to the applicable phrase(s) and provide a brief explanation in the space available, if necessary.
3	Identify the indications of fraud, the evidence that supports the fraud indicators and the method used to compute omitted income (if applicable) in a clear and concise manner.
4a	Identify the tax year, month that the year ends and the Master File Transcript (MFT) code, for example, 199412/30.
4b	Use tax returns, amended tax returns, RTVUE's, etc.
4c, d, e	Self-explanatory.
4f and g	Revenue Officers: Complete item 4f and/or 4g. Examiners: Complete item 4f only.
5	Name the Examiner or Revenue Officer that developed the issue(s).
6	Self-explanatory.
7	To be completed by the Fraud Referral Specialist.

Attachment 2: Form 1160, FRAUD DEVELOPMENT CHECKSHEET

Taxpayer's Name	Control Number
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EIN/SSN
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The following audit steps must be taken to further develop the case:

Date	Audit Steps/Action Required	Completion Date	Follow Up Date

Revenue Agent/Officer	Date	Group Manager	Date	Fraud Referral Specialist
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# Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases

Referral Report of Potential Criminal Fraud Cases					FTA Management Control Number			
1a. Name and Address of Taxpayer/Filer					1c. Personal Data			
(Last Name)		(First Name)		(MI)		Age: _____		
(Number)		(Street)				Health: _____		
(City or Town)		(State)		(ZIP)		Education: _____		
1b. TIN (SSN or EIN including dashes): _____					Occupation: _____			
1d. Multiple Taxpayers/Filers (if additional fields are needed, continue on page 3) <span style="float: right;">Go to cont. Page</span>					<b>FOR CRIMINAL INVESTIGATION USE ONLY</b>			
Taxpayer/Filer	TIN	Type of Return/Form	Type of Tax	CI Classification		Continue Civil/Collection Activity		
				PI <input type="checkbox"/>	SCI <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
				PI <input type="checkbox"/>	SCI <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
				PI <input type="checkbox"/>	SCI <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
				PI <input type="checkbox"/>	SCI <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
				PI <input type="checkbox"/>	SCI <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
2. Basis for the suspected fraud?								
a. <input type="checkbox"/> Omitted Income			c. <input type="checkbox"/> Failure to File or Pay Tax			e. <input type="checkbox"/> Altered Documents		
b. <input type="checkbox"/> False Expenses/Deductions			d. <input type="checkbox"/> Evasion of Payment			f. <input type="checkbox"/> Other (Explain) _____		
3a. Describe the affirmative acts that support indications of fraud and the intent to defraud. (if additional lines are needed, attach Word document)								
3b. Summarize defenses given by the Taxpayer/Filer, Representative, or Preparer for acts of fraud. (if additional lines are needed, add to item 3a attachment)								
3c. Describe summonses served (Taxpayer and third party) and/or enforced collection measures taken against the Taxpayer's/Filer's assets								
3d. List all investigative information sources checked (e.g., IDRS, CBRS, Credit Bureau, Choice Point, Public Records, DMV, etc.)								
4. Tax Return Information:								
a. What is the earliest statute expiration date? ASED <input type="checkbox"/> CSED <input type="checkbox"/> <span style="float: right;">Date (mmddyyyy) MFT Tax Period</span>								
(if additional fields are needed for b-i, continue on page 3) <span style="float: right;">Go to cont. Page</span>								
b. Tax Period (yyyymm)	c. Tax Return Form	d. Type of Tax	e. Taxable Income (TI) per Return	f. TI Adjustments due to Fraud	g. Corrected TI	h. Corrected Tax	i. Tax due to Fraud	

# Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued

5. If this is a single year referral, comment on the prior and subsequent year returns.

6. Records were kept by

☐ Taxpayer/Filer or Spouse

☐ Other (specify) \_\_\_\_\_

Describe records (e.g., computerized or manual, single or double entry, type of journals or ledgers including subsidiary, cash receipts book, etc., or none).

7. Describe the basis or method used for the computation of the fraud adjustments.

8. Non-taxable Sources of Income and Cash on Hand at the Beginning of the Earliest Year Amounts

Did the taxpayer acknowledge non-taxable sources of income and/or cash hoard? Yes ☐ No ☐

Year	Gifts	Loans	Inheritances	Other	Cash Hoard

9. Administrative Information:

a. Project Code	b. MSSP Code	c. Source Code	d. Activity Code	e. DIF Score	f. IRC 6501(e) <input type="checkbox"/> Yes <input type="checkbox"/> No

10a. Initiator's Name and Grade (print)	10b. Area/Territory/Group (if applicable)	10c. Telephone Number	10d. Operating Division Code	Date
11a. Group Manager	Date	11b. Fraud Coordinator (LMSB, TEGE or Campus)		Date
11c. Fraud Technical Advisor	Date	11d. Fraud Technical Advisor Manager		Date

## FOR CRIMINAL INVESTIGATION USE ONLY

12a. Date referral received by FO (mmddyyyy)		12c. Date of Initial conference (mmddyyyy)	
12b. Date referral received by SSA (mmddyyyy)		12d. Date of Disposition conference (mmddyyyy)	

13a. Evaluation by CI: ☐ Accepted for Investigation ☐ Decline before Investigation

13b. Conference Comments/Reasons for Declination (attach statement indicating reason(s) for declination)

14a. Special Agent Assigned to Investigation	Grade	Group	Telephone No.

14b. Cooperating Examiner/Officer Should Be Assigned ☐ Yes ☐ No

14c. Name (SAC if referral is declined; SSA if referral is accepted.)	Date	14d. PI Number

**Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued**

[illegible]

[Return to Page 1](#)

## Cont. 4. Tax Return Information:

[illegible]

Return to Page 2

### Clear Button

# Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued

## Instructions For Referral Report Of Potential Criminal Fraud Cases (Form 2797)

**Initiator must complete items 1 through 10. BSA/FBAR referrals will omit items 4, 8 & 9.** FTA Management Control Number: Required entry. The FTA manager will enter the 8 digit number after review and approval and prior to submission to CI.

**Item 1:** If the fraudulent scheme involves more than one taxpayer/filer, enter information for the most culpable taxpayer/filer.

**Item 1a:** Enter the last known address.

**Item 1b:** Enter the SSN or EIN (including dashes) of the taxpayer/filer mentioned in item 1a.

**Item 1c:** Required entry for individuals only. Provide an estimate if unknown.

**Item 1d:** Identify the Name, TIN, Type of Return & Type of Tax for all taxpayers that are involved in a fraudulent scheme, including the taxpayer identified in 1a. through 1c. BSA/FBAR referrals will identify the Name and TIN for all filers only. CI will complete remaining portion.

**Item 2:** Check the appropriate boxes and provide a brief explanation if box "f" is checked.

**Item 3a:** Be specific and to the point. Indicate the facts that support the indications of fraud and the intent to defraud. If additional lines are needed, attach Word document. Identify taxpayer, TIN and tax period at top of attachment.

**Item 3b:** Summarize the explanations given by the taxpayer/filer and/or other parties indicated. Where possible, use their exact words.

**Item 3c:** Identify in a clear and concise manner.

**Item 3d:** List research.

### Items 4a through 4i:

\* Use the tax returns and your tax computation worksheet. No explanation is required. The tax computation should not include technical/statutory adjustments. SE tax should be included only if SE tax was reported on a filed tax return.

\* If the basis for suspected fraud is aiding and abetting, omit items 4c through 4h. The tax due to fraud can be estimated.

\* If the basis for suspected fraud is evasion of payment, omit items 4e through 4h. Enter the total amount of the unpaid balance of assessment in item 4i.

**Item 5:** Briefly explain why other years are not being referred.

**Item 6:** Place an "X" in the appropriate box and identify the name and title, if someone other than the taxpayer/filer or spouse. Briefly describe the type of records maintained.

**Item 7:** Briefly explain how you computed the proposed adjustment(s). What was the basis/method used?

**Item 8:** Check the "Yes" or "No" box and enter the aggregate annual amount(s) per year.

**Item 9:** Enter the appropriate information in 9a through 9e. Check "Yes" if the six year statute is applicable; otherwise, check "No" in item 9f.

**Item 10:** Enter your name, identifying information and 2-digit operating division code to identify the source of the referral.

SB/SE		LMSB		TEGE		Campus		BSA	
RA	11	Financial Services	21	Employee Plans	31	W&I	41	SB/SE	51
TCO	12	Communications, Technology & Media	22	Exempt Organizations	32	SB/SE	42	LMSB	52
RO	13	Heavy Manufacturing & Transportation	23	Tax Exempt Bonds	33			TEGE	53
		Natural Resources & Construction	24	Indian Tribal Government	34				
		Retailers, Food, Pharm. & Healthcare	25	Federal, State & Local Govt.	35				

**Items 11a through 11d:** Insertion of their printed name by the group manager, Fraud Coordinator (if applicable), Fraud Technical Advisor and FTA manager acknowledges concurrence with the referral.

**C.I. personnel must complete items 12 through 14 and, if applicable, section 1d. Referrals without an FTA Management Control Number will be returned to the FTA manager.**

**Item 12a:** Enter the appropriate date.

**Item 12b:** The date entered should be within two workdays of the date entered in item 12a.

**Item 12c:** This date should be established within ten workdays of the date entered in item 12b.

**Item 12d:** This date should be within 30 workdays of the date entered in 12b.

**Item 13a:** A decision should be made within 30 workdays of the date entered in item 12b.

**Item 13b:** A complete explanation (reasons) for the declination of the referral, in the form of an attached statement, is mandatory.

**Item 14a & 14b:** Completed if the referral is being accepted for investigation.

**Item 14c:** Required entry. Name of the Special Agent in Charge (SAC) if the referral is being declined before investigation, or Supervisory Special Agent (SSA) if the referral is being accepted.

**Item 14d:** Required entry.

## Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued

### Instructions for Referral Report of Potential Criminal Fraud Cases (Form 2797)

Compliance personnel must complete items 1 through 11. If the space provided in items 3, 5 6 and 7 is insufficient, a one-page continuation sheet may be attached. If the referral involves one or more tax periods, use additional Forms 2792 (page one). Complete items 1a, 1b and 4b through 4h only. No other attachments are required. IRM 25.1.

Item	Action
1	Identify the taxpayer based on available information; enter the last known address and provide an estimate of the taxpayer's age, health, and education, if unknown.
2	Check the appropriate box(es) and provide a brief explanation if box "F" is checked.
3a	Be specific and to the point. Indicate the facts that support the indications of fraud and the intent to defraud.
3b	Summarize the explanations given by the taxpayer and/or other parties indicated. Where possible, use their exact words.
3c	Identify in a clear and concise manner.
3d	Self-explanatory.
4a through 4g	Use the tax returns and your tax computation worksheet. No explanation is required.
4h	The tax computation should not include technical/statutory adjustments. Self-employment tax should be included in the computation if self-employment tax was reported on a filed tax return. For evasion of payment cases, enter the total amount of the unpaid balance of assessment.
5	Briefly state your opinion why other years are not being referred.

*Continued on next page*

## Attachment 3 : Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued

**Instructions  
for Referral  
Report of  
Potential  
Criminal  
Fraud Cases  
(Form 2797)  
(continued)**

Item	Action
6	Place an X in the appropriate box and identify the name and title, if someone other than the taxpayer or spouse. Briefly describe the type of records maintained.
7	Briefly explain how you computed the proposed adjustment(s). What was the basis/method used?
8	Enter the amount (if any) in the spaces provided.
9	Enter the appropriate codes/score in 9a through 9g. Enter "Y" if the six year statute is applicable; otherwise enter "N" in item 9h.
10	The initiator is the examiner/officer.
11a through 11c	The signature acknowledges concurrence with the referral.

CI personnel must complete items 12 through 14. Use only the spaces provided. There will be ample opportunity to ask questions and examine workpapers at the initial conference.

Item	Action
12a	Self-explanatory.
12b	The date entered should be within two workdays of the date entered in item 12a.
12c	This date should be established within 10 workdays of the date entered in item 12b.
12d	This date should be within 30 workdays of the date entered in 12b.

*Continued on next page*



## Attachment 3: Form 2797, Referral Report of Potential Criminal Fraud Cases, Continued

**Instructions  
for Referral  
Report of  
Potential  
Criminal  
Fraud Cases  
(Form 2797)  
(continued)**

Item	Action
13a	A decision must be made within 30 workdays of the date entered in item 12b.
13b	A complete explanation (reasons) for the decision of the referral, in the form of an attached statement, is mandatory.
14a and 14b	Completed if the referral is being accepted for investigation.
14c	Required entry. Signature of the Supervisory Special Agent (SSA), if the referral is being accepted. Signature of the Lead Development Center Manager (LDM) or the Special Agent in Charge (SAC), if the referral is being declined before investigation.